

the royalty rate shall be, in lieu of the royalty rates specified in paragraphs (a) (2) through (4) and (d) of this section, 3.75 per centum of the gross receipts of the cable systems for each distant signal equivalent; any fraction of a distant signal equivalent shall be computed at its fractional value.

(d) Commencing with the first semi-annual accounting period of 1990 and for each semiannual accounting period thereafter, in the case of a cable system located outside the 35-mile specified zone of a commercial VHF station that places a predicted Grade B contour, in whole or in part, over the cable system, and that is not significantly viewed or otherwise exempt from the FCC's syndicated exclusivity rules in effect on June 24, 1981, for each distant signal equivalent or fraction thereof represented by the carriage of such commercial VHF station, the royalty rate shall be, in addition to the amount specified in paragraph (a) of this section,

(1) For cable systems located wholly or in part within a top 50 television market,

(i) .599 per centum of such gross receipts for the first distant signal equivalent;

(ii) .377 per centum of such gross receipts for each of the second, third, and fourth distant signal equivalents; and

(iii) .178 per centum of such gross receipts for the fifth distant signal equivalent and each additional distant signal equivalent thereafter;

(2) For cable systems located wholly or in part within a second 50 television market,

(i) .300 per centum of such gross receipts for the first distant signal equivalent;

(ii) .189 per centum of such gross receipts for each of the second, third, and fourth distant signal equivalents; and

(iii) .089 per centum of such gross receipts for the fifth distant signal equivalent and each additional distant signal equivalent thereafter;

(3) For purposes of this section *top 50 television markets* and "second 50 television markets" shall be defined as the comparable terms are defined or inter-

preted in accordance with 47 CFR 76.51, as effective June 24, 1981.

[47 FR 52159, Nov. 19, 1982, as amended at 50 FR 18481, May 1, 1985; 54 FR 12619, Mar. 28, 1989; 55 FR 33613, Aug. 16, 1990; 56 FR 12122, Mar. 22, 1991. Redesignated at 59 FR 23993, May 9, 1994, as amended at 63 FR 30636, June 5, 1998; 63 FR 39739, July 24, 1998; 65 FR 39820, June 28, 2000; 65 FR 64623, Oct. 30, 2000; 70 FR 58311, Oct. 6, 2005]

PART 258—ADJUSTMENT OF ROYALTY FEE FOR SECONDARY TRANSMISSIONS BY SATELLITE CARRIERS

Sec.

258.1 General.

258.2 Definitions.

258.3 Royalty fee for secondary transmission of analog signals of broadcast stations by satellite carriers.

258.4 Royalty fee for secondary transmission of digital signals of broadcast stations by satellite carriers.

AUTHORITY: 17 U.S.C. 119, 702, 802.

§ 258.1 General.

This part 258 adjusts the rates of royalties payable under the compulsory license for the secondary transmission of broadcast stations under 17 U.S.C. 119.

[57 FR 19053, May 1, 1992. Redesignated and amended at 59 FR 23994, May 9, 1994; 63 FR 30636, June 5, 1998]

§ 258.2 Definitions.

(a) *Commercial establishment.* The term "commercial establishment" means an establishment used for commercial purposes, such as bars, restaurants, private offices, fitness clubs, oil rigs, retail stores, banks and financial institutions, supermarkets, auto and boat dealerships, and other establishments with common business areas; *provided* that the term "commercial establishment" shall not include a multi-unit permanent or temporary dwelling where private home viewing occurs, such as hotels, dormitories, hospitals, apartments, condominiums and prisons, all of which shall be subject to the rates applicable to private home viewing.

(b) *Syndex-proof signal.* A satellite retransmission of a broadcast signal shall be deemed "syndex proof" for purposes of § 258.3(a) if, during any

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semi-annual reporting period, the retransmission does not include any program which, if delivered by any cable system in the United States, would be subject to the syndicated exclusivity rules of the Federal Communications Commission.

(c) *Per subscriber per month.* The term “per subscriber per month” means each subscriber subscribing to the station in question, or to a package including such station, on the last day of a given month.

[70 FR 17320, Apr. 6, 2005, as amended at 70 FR 39179, July 7, 2005]

§ 258.3 Royalty fee for secondary transmission of analog signals of broadcast stations by satellite carriers.

(a) Commencing May 1, 1992, the royalty rate for the secondary transmission of analog signals of broadcast stations for private home viewing by satellite carriers shall be as follows:

(1) 17.5 cents per subscriber per month for superstations.

(2) 14 cents per subscriber per month for superstations whose signals are syndex-proof, as defined in § 258.2.

(3) 6 cents per subscriber per month for network stations and noncommercial educational stations.

(b) Commencing January 1, 1998, the royalty fee for secondary transmission of analog signals of broadcast stations for private home viewing by satellite carriers shall be as follows:

(1) 27 cents per subscriber per month for distant superstations.

(2) 27 cents per subscriber per month for distant network stations.

(3) No royalty rate (zero) for a superstation secondarily transmitted within the station’s local market, as defined in 17 U.S.C. 119(d)(11).

(4) No royalty rate (zero) for a network station secondarily transmitted within the station’s local market, as defined in 17 U.S.C. 119(d)(11), to subscribers residing in unserved households, as defined in 17 U.S.C. 119(d)(10).

(c) Commencing July 1, 1999, the royalty rate for secondary transmission of analog signals of broadcast stations for private home viewing by satellite carriers shall be as follows:

(1) 18.9 cents per subscriber per month for distant superstations.

(2) 14.85 cents per subscriber per month for distant network stations.

(3) 14.85 cents per subscriber per month for the Public Broadcasting Service satellite feed.

(d) Commencing January 1, 2005, the royalty rate for secondary transmission of analog signals of broadcast stations by satellite carriers shall be as follows:

(1) For private home viewing—

(i) 20 cents per subscriber per month for distant superstations.

(ii) 17 cents per subscriber per month for distant network stations.

(2) For viewing in commercial establishments, 40 cents per subscriber per month for distant superstations.

(e) Commencing January 1, 2006, the royalty rate for secondary transmission of analog signals of broadcast stations by satellite carriers shall be as follows:

(1) For private home viewing—

(i) 21.5 cents per subscriber per month for distant superstations.

(ii) 20 cents per subscriber per month for distant network stations.

(2) For viewing in commercial establishments, 43 cents per subscriber per month for distant superstations.

(f) Commencing January 1, 2007, the royalty rate for secondary transmission of analog signals of broadcast stations by satellite carriers shall be as follows:

(1) For private home viewing—

(i) 23 cents per subscriber per month for distant superstations.

(ii) 23 cents per subscriber per month for distant network stations.

(2) For viewing in commercial establishments, 46 cents per subscriber per month for distant superstations.

(g) Commencing January 1, 2008, the royalty rate for secondary transmission of analog signals of broadcast stations by satellite carriers shall be as follows:

(1) For private home viewing—

(i) 24 cents per subscriber per month for distant superstations.

(ii) 24 cents per subscriber per month for distant network stations.

(2) For viewing in commercial establishments, 48 cents per subscriber per month for distant superstations.

(h) Commencing January 1, 2009, the royalty rate for secondary transmission of analog signals of broadcast stations by satellite carriers shall be as follows:

- (1) For private home viewing—
 - (i) 24 cents per subscriber per month for distant superstations.
 - (ii) 24 cents per subscriber per month for distant network stations.
- (2) For viewing in commercial establishments, 48 cents per subscriber per month for distant superstations.

[62 FR 55759, Oct. 28, 1997, as amended at 64 FR 71660, Dec. 22, 1999; 70 FR 17320, Apr. 6, 2005; 70 FR 39179, July 7, 2005; 73 FR 14185, Mar. 17, 2008; 74 FR 12093, Mar. 23, 2009]

§ 258.4 Royalty fee for secondary transmission of digital signals of broadcast stations by satellite carriers.

(a) Commencing January 1, 2005, the royalty rate for secondary transmission of digital signals of broadcast stations by satellite carriers shall be as follows:

- (1) For private home viewing—
 - (i) 20 cents per subscriber per month for distant superstations.
 - (ii) 17 cents per subscriber per month for distant network stations.
- (2) For viewing in commercial establishments, 40 cents per subscriber per month for distant superstations.

(b) Commencing January 1, 2006, the royalty rate for secondary transmission of digital signals of broadcast stations by satellite carriers shall be as follows:

- (1) For private home viewing—
 - (i) 21.5 cents per subscriber per month for distant superstations.
 - (ii) 20 cents per subscriber per month for distant network stations.
- (2) For viewing in commercial establishments, 43 cents per subscriber per month for distant superstations.

(c) Commencing January 1, 2007, the royalty rate for secondary transmission of digital signals of broadcast stations by satellite carriers shall be as follows:

- (1) For private home viewing—
 - (i) 23 cents per subscriber per month for distant superstations.
 - (ii) 23 cents per subscriber per month for distant network stations.

(2) For viewing in commercial establishments, 46 cents per subscriber per month for distant superstations.

(d) Commencing January 1, 2008, the royalty rate for secondary transmission of digital signals of broadcast stations by satellite carriers shall be as follows:

- (1) For private home viewing—
 - (i) 24 cents per subscriber per month for distant superstations.
 - (ii) 24 cents per subscriber per month for distant network stations.
- (2) For viewing in commercial establishments, 48 cents per subscriber per month for distant superstations.

(e) Commencing January 1, 2009, the royalty rate for secondary transmission of digital signals of broadcast stations by satellite carriers shall be as follows:

- (1) For private home viewing—
 - (i) 24 cents per subscriber per month for distant superstations.
 - (ii) 24 cents per subscriber per month for distant network stations.

(2) For viewing in commercial establishments, 48 cents per subscriber per month for distant superstations.

(f) For purposes of calculating the royalty rates for secondary transmission of digital signals of broadcast stations by satellite carriers—

(1) In the case of digital multicasting, the rates in paragraphs (a) through (e) of this section apply to each digital stream that a satellite carrier or distributor retransmits pursuant to section 119; *provided*, however that no additional royalty shall be paid for the carriage of any material related to the programming on such stream; and

(2) Satellite carriers and distributors are not required to pay a section 119 royalty for the retransmission of a digital signal to a subscriber who resides in a community where that signal is “significantly viewed,” within the meaning of 17 U.S.C. 119(a)(3) and (b)(1), as amended.

[70 FR 39179, July 7, 2005, as amended at 73 FR 14185, Mar. 17, 2008; 74 FR 12093, Mar. 23, 2009]

**PART 260—RATES AND TERMS FOR
PREEXISTING SUBSCRIPTION
SERVICES' DIGITAL TRANS-
MISSIONS OF SOUND RECORD-
INGS AND MAKING OF EPHEM-
ERAL PHONORECORDS**

Sec.

260.1 General.

260.2 Royalty fees for the digital performance of sound recordings and the making of ephemeral phonorecords by preexisting subscription services.

260.3 Terms for making payment of royalty fees.

260.4 Confidential information and statements of account.

260.5 Verification of statements of account.

260.6 Verification of royalty payments.

260.7 Unknown copyright owners.

AUTHORITY: 17 U.S.C. 114, 801(b)(1).

SOURCE: 63 FR 25413, May 8, 1998, unless otherwise noted.

§ 260.1 General

(a) This part 260 establishes rates and terms of royalty payments for the public performance of sound recordings by nonexempt preexisting subscription services in accordance with the provisions of 17 U.S.C. 114(d)(2), and the making of ephemeral phonorecords in connection with the public performance of sound recordings by nonexempt preexisting subscription services in accordance with the provisions of 17 U.S.C. 112(e).

(b) Upon compliance with 17 U.S.C. 114 and the terms and rates of this part, nonexempt preexisting subscription services may engage in the activities set forth in 17 U.S.C. 114(d)(2).

(c) Upon compliance with 17 U.S.C. 112(e) and the terms and rates of this part, nonexempt preexisting subscription services may engage in the activities set forth in 17 U.S.C. 112(e) without limit to the number of ephemeral phonorecords made.

(d) For purposes of this part, Licensee means any preexisting subscription service as defined in 17 U.S.C. 114(j)(11).

[68 FR 39840, July 3, 2003]

§ 260.2 Royalty fees for the digital performance of sound recordings and the making of ephemeral phonorecords by preexisting subscription services.

(a) Commencing January 1, 2002 and continuing through December 31, 2003, a Licensee's monthly royalty fee for the public performance of sound recordings pursuant to 17 U.S.C. 114(d)(2) and the making of any number of ephemeral phonorecords to facilitate such performances pursuant to 17 U.S.C. 112(e) shall be 7.0% of such Licensee's monthly gross revenues resulting from residential services in the United States.

(b) Commencing January 1, 2004 and continuing through December 31, 2007, a Licensee's monthly royalty fee for the public performance of sound recordings pursuant to 17 U.S.C. 114(d)(2) and the making of any number of ephemeral phonorecords to facilitate such performances pursuant to 17 U.S.C. 112(e) shall be 7.25% of such Licensee's monthly gross revenues resulting from residential services in the United States.

(c) Commencing in the year 2003 and continuing through the year 2007, each Licensee making digital performances of sound recordings pursuant to 17 U.S.C. 114(d)(2) and ephemeral phonorecords pursuant to 17 U.S.C. 112(e) shall make an advance payment of \$100,000 per year, payable no later than January 20th of each year; Provided, however, that for 2003, the annual advance payment shall be due on August 20, 2003. The annual advance payment shall be nonrefundable, but the royalties due and payable for a given year or any month therein under paragraphs (a) and (b) of this section shall be recoupable against the annual advance payment for such year; Provided, however, that any unused annual advance payment for a given year shall not carry over into a subsequent year.

(d) A Licensee shall pay a late fee of 1.5% per month, or the highest lawful rate, whichever is lower, for any payment received after the due date. Late fees shall accrue from the due date until payment is received.